







CHAPTER III—EVALUATION PHASE

III.A INTRODUCTION

Each fiscal year (FY) the Department of Veterans Affairs spends millions of dollars to maintain or enhance existing IT investments, to develop new IT investments, or to purchase IT-related hardware, software, telecommunications equipment or contracting/consulting services. Each of these IT investments must be managed throughout its life cycle.

VA Directive 6000, *VA Information Resources Management Framework*, lists a number of review-related responsibilities of VA officials, including:

Ensure the integrity and security of automated information and public dissemination of all information maintained in IT investments.

Ensure that IT investments are acquired, developed and implemented in a timely fashion, meet user requirements, and deliver intended benefits to the Department through coordinated decision-making about the information, human, financial and other supporting resources.

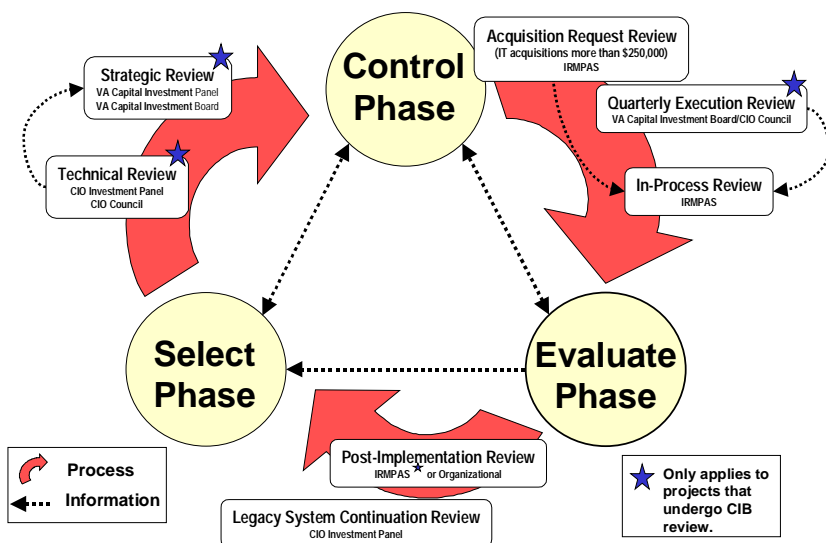
Will review IT investments based on customer/user satisfaction, strategic impact and effectiveness, internal business performance, and innovation.

Additionally, the Directive tasks VA's CIO to ensure periodic reviews of IT investments are conducted to validate estimated benefits and to document effective management processes for use throughout the Department.

III.A.1 Reviews Overview

The *One VA Capital Investment Process* incorporates a variety of reviews to meet these requirements. This chart shows the relationship of each of these kinds of review and where it falls within the overall process.

Technical Reviews for IT investments occur during the Select phase. The CIO Investment Panel, a Departmental cross-organizational team





chartered by the CIO Council, considers each proposal, evaluating it against performance, affordability, life cycle cost, technology integration issues, risk, and management capacity criteria. (These criteria change as the *VA IT Strategic Plan* changes.)

At the same time, the panel considers existing projects, preparing a complete portfolio of IT investments that must compete for funding, not just new projects.

[Note: Even though sponsoring organizations will have chosen projects based on appropriate criteria, the CIO Investment Panel selection process may remove some initiatives.]

The panel prepares a ranking of projects and supporting analyses that the CIO Council uses to make VA IT Investment Portfolio decisions. The CIO Council reviews the IT Portfolio package, which contains all source documentation, including the project proposal applications, scoring sheets, and relevant reports as well as the CIO Investment Panel's analyses and the panel's project criteria rankings. Following its own review of these materials, the CIO council recommends a strategic mix of IT projects (new, ongoing, mission-critical, infrastructure, cross-functional, administrative, and research and development) for presentation to the Capital Investment Board (VACIB). (Additional details concerning Technical Reviews can be found in section II D of the *VA Capital Investment Methodology Guide*.)

Strategic Reviews for IT investments also occur during the Select phase. The VA Capital Investment Panel performs a data validation review on each project ensuring that it meets minimum requirements for supporting data and analysis. The Panel then scores proposals using a pre-established decision-making hierarchy, producing a prioritized list of sound proposals for review by the VACIB. The Board members review the list of proposals and vote on the strategic mix of proposals that will enable the Department to achieve the highest priority goals and objectives. (Additional details concerning Strategic Reviews can be found in section II D of the *VA Capital Investment Methodology Guide*.)

Acquisition Request Reviews occur during the Control phase. A VA organization requesting supplies or services that cost more than \$250,000 and less than that organization's established threshold will submit an *IRM Acquisition Approval Application* to IRMPAS. VA organizations requesting supplies or services as part of projects that have been approved by the CIO Council and VACIB must submit an *IRM Acquisition Approval Application for Projects that Have Been Approved by the CIO Council and Capital Investment Board*. The IRMPAS staff reviews each acquisition request to ensure that the application is properly completed and that the supporting documentation is sufficient. Once the acquisition request successfully completes this review, IRMPAS recommends CIO approval. Acquisition Request Reviews are discussed in detail in *Section II.B.1* of this guide.



Quarterly Execution Reviews are discussed in Section 1.4 of this guide as well as in section III of the *VA IT Capital Investment Management Guide*.

III.A.2 VA Information Technology Review Program

The VA's IT Review Program supports the VA CIO and other VA senior managers with:

- **In-process reviews (IPRs).** IPRs support the **Control phase** of the Information Technology Investment Process. They take a detailed look at projects to verify organizational progress reports, or to answer concerns raised by those reports such as why investments are behind schedule, not within budget, or not performing as planned, and
- **Post-implementation reviews (PIRs).** PIRs support the **Evaluation phase** of the process. They determine whether projects have achieved expected benefits such as lowered cost, reduced cycle time, increased quality, or increased speed of service delivery.
- **Legacy System Continuation Reviews** assist decision-makers to decide if a given legacy system is sufficiently cost effective and essential to justify continued operation or upgrade or whether it should be replaced or discontinued.

Legacy System Continuation Review—Once a system has been implemented and has received a Post-Implementation Review it becomes an ongoing project, commonly referred to within VA as a "Legacy System." An effective capital investment program requires senior management to review ongoing projects along with new projects and to make go/no-go decisions. The Program Offices report project status for legacy systems on a quarterly basis. Additionally, the CIO Council requires program offices to resubmit a new cost benefit analysis for each legacy system every three years following the date of effective deployment.

By periodically challenging legacy systems, the CIO Council ensures that VA does not continue funding ineffective or nonessential programs. The triennial review is a **Legacy System Continuation Review**.

III.A.3 Post Implementation Reviews (PIRs)

The Evaluation phase "closes the loop" on the IT investment management process by comparing actual results against estimates in order to assess performance and identify areas where future decision-making can be improved. Lessons learned during the Evaluation phase help VA decision-makers to modify future Selection and Control decisions to make better use of VA's resources. The post-implementation review (PIR), with its evaluation of the historical record of the project, is the heart of the Evaluation phase.



Once a project is either fully implemented or has been cancelled, a PIR shall be conducted. This review will usually occur about 3 to 12 months after a project has reached its final end point and should be conducted by a group other than the project development team in order to ensure that it is conducted independently and objectively.

Each PIR has a dual focus:

- (a) It provides an assessment of the implemented project, including an evaluation of the development process.
- (b) It indicates the extent to which VA's investment decision-making processes are sustaining or improving the success rate of IT projects.

As a minimum, each PIR will evaluate customer/user satisfaction with the end product, mission/program impact, and technical capability as well as provide VA decision-makers with lessons learned so that they can improve VA's investment decision-making processes.

Post-Implementation Review (PIR) Categories

Category 1

Reviews IT investments after they have been operational (or cancelled) for a period of 6 -12 months. These reviews frequently incorporate visits to selected field stations to interview customers and technical personnel.

Category 2

Conducted 3 - 6 months after the planned completion date for an IT acquisition. (A purchase of hardware, software, contracting/consulting services or a telecommunication network upgrade.) This will generally be a remote review in which data is gathered through survey questionnaires or teleconferencing. The review team might visit field stations to validate the information.

III.B PIR REVIEW EXECUTION

This section outlines the tasks required to plan and execute a PIR review.

III.B.1 Selecting IT Investments for a PIR

IRMPAS conducts PIRs on all IT investments approved by the CIO Council and the VACIB that have been either fully deployed or cancelled. These reviews are conducted within 12 months after the IT project has been implemented or ended.



A significant number of VA's IT investments are not reviewed as part of the Capital Investment Process. These investments still require a suitable level of review.

Administrations and staff offices are responsible for performing in-house PIRs on all investments exceeding \$250,000 but falling within the organizational threshold for approval. These reviews must also be conducted within 12 months after IT project implementation or termination.

In addition, the Director, IRMPAS, schedules PIRs for all Office of Information Technology IT investments exceeding \$250,000, as well as a suitable sampling of the administrations' and staff offices' IT investments exceeding \$250,000 but falling within organizational thresholds for approval. These PIRs are used to validate organizational PIR processes and results.

III.B.2 PIR Team

Once an IT investment has been selected for review, the Director, IRMPAS, will assign a review team leader. The Director and the review team leader will, based on the nature of the review, establish the review team. In addition to members of the Office of Information and Technology, the team might include:

- Personnel assigned from the Administration or Key Staff Office responsible for the IT initiative;
- Subject matter experts detailed from any VA organizational; and/or
- Contractor personnel who possess the necessary level of expertise.

The following are three essential areas that should be evaluated as part of a complete PIR:

1. **Customers** Surveys should be conducted to determine users' satisfaction with the end product. There should also be a focused look at how well the project supports the organization's various business processes. *Many of the intangible benefits that were identified at the outset will relate to how customers and end users feel about the final project.*
2. **Mission/Program Impact** A close look should be taken to determine whether the implemented system has achieved its intended impact, and whether this impact is still aligned with mission goals. An assessment should also be made of other project-specific aspects, such as an estimate of cost savings that have been achieved, compliance with the information technology architecture, evaluations of the information product (accuracy, timeliness, adequacy, and appropriateness of information), and identification of additional maintenance or security issues.
3. **Technical Capability** Finally, an evaluation should be made of the technical aspects of the project, both current and future. Such an evaluation may focus on such factors as the competency of the workforce to use the new system and employee satisfaction or retention, the extent to which advanced technology was used, and the methodological expertise of the development team.

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III.B.3 Focus Elements

The *focus elements* for a PIR are the same focus elements used for an IPR:

Mission Alignment

IT Architecture and Telecommunications Infrastructure (including Security and Internal Controls)

Performance Measures

Project Management

Customer Acceptance

Business Process Support

High Performance Workforce

Cost versus Anticipated Savings

III.B.4 Recommendations

The review team should remember that VA senior management will use the results of the PIR as a baseline to decide whether to continue without adjustment, to modify the system to improve performance or, if necessary, to consider alternatives to the implemented system.

Even with the best system development process, it is quite possible that a new system will have problems or even major flaws that must be taken care of in order for VA to get the full benefit of its investment. The PIR should provide VA decision-makers with useful information on how best to modify a system, or to work around the flaws in a system, in order to improve performance and to bring the system further in alignment with the identified needs of its customers.

III.B.5 Lessons Learned

The review team should be alert for and highlight ways to improve the overall *VA IT Investment Decision Process*. The information from PIRs helps VA senior management develop better decision criteria during the Selection process and improve the evaluation of ongoing projects during the Control process. The VACIB and the CIO Council will use the collective results of post implementation reviews across completed systems to modify VA's existing investment selection and control processes based on lessons learned.



III.B.6 Phases of a PIR

There are four phases in conducting a PIR. Each phase has a number of tasks. These phases are plan, coordinate, execute and report.



Phase 1 - Plan: After the review team has been selected, the team must collect documentation on the IT investment and develop a review plan. The plan should include an introduction, list review objectives, identify the focus elements, and provide a proposed schedule.

Once these first three steps have been completed, the team leader should schedule an initial meeting with the program office. At this meeting, the review team will describe the review plan and identify a point of contact (POC) from the program office. In addition, the review team will identify any information it needs from the program office. (Remember that much of the background information will be things such as the original cost benefit analysis, project support plan, and performance measures which are readily available in the Capital Investment Proposal or the IT Acquisition Request Package on file with IRMPAS). Additional documentation the team might require from the program office will include updated performance information, training guides, and local architecture schematics.

Phase 2 - Coordinate: Working with the POC from the program office(s), the review team will finalize the review plan, determine any sites to be visited and schedule site visits (as necessary). If sites will be visited, the review team leader should have the program office identify a POC for each site. A review team member will contact each site POC concerning the team's role and responsibilities, the objective of the review and the focus elements. The team member will ask the POC to notify specific interviewees (identified by the team) and also to recommend additional interviewees.

The site POC will:

- Notify site management of the pending visit;
- Arrange for the entrance briefing;
- Coordinate and schedule interviews; and
- Ensure all interviewees have copies of the interview questions.



The review team will provide the site POC with copies of the review plan and questions at least 10 days in advance of each visit.

Phase 3 - Execute: The review team executes the review plan. If the plan includes site visits, the team members will conduct entrance and exit briefings for site management and each interviewee, and conduct scheduled interviews. After a site visit, members of the review team consolidate their individual notes taken during each interview. The team leader will use these consolidated notes to prepare the team trip report, to provide documentation for team findings, and as preparatory information before visiting the next site (if other visits are scheduled). The team leader will regularly brief the Director, IRMPAS concerning the team's progress as well as upon return from each trip.

Phase 4 - Report: Once the team has completed its review and analysis, it will prepare a draft report. (See Appendix B.) The team leader will forward the draft report to the program office(s) for review and comment on findings and recommendations. Upon receiving comments from the program office(s), the team leader will finalize for presentation to the CIO Council. The CIO Council will review and, as necessary, amend the report, paying special attention to findings and recommendations. Once the report has been approved by the CIO Council, the Director, IRMPAS will forward it to the program office(s) for action.

Follow-up: The program office(s) will provide the CIO Council with an action plan that details what actions the organization will be take in response to each recommendation and when the action will be completed.